

## Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 IO-13 ISO-00 CIAE-00 DODE-00 PM-04

H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01

SP-02 SS-15 USIA-06 AID-05 COME-00 EB-07 FRB-03

TRSE-00 XMB-02 OPIC-03 LAB-04 EPG-02 SIL-01

OMB-01 /109 W

-----068701 151607Z /45

R 141004Z JUL 77

FM AMEMBASSY LUSAKA

TO SECSTATE WASHDC 6109

INFO AMEMBASSY DAR ES SALAAM

AMEMBASSY GABORONE

USMISSION GENEVA

AMEMBASSY LAGOS

AMEMBASSY LONDON

AMEMBASSY MAPUTO

AMEMBASSY PRETORIA

C O N F I D E N T I A L LUSAKA 2016

GENEVA PLEASE PASS TO ASST SECY FRANK

E.O. 11652: GDS

TAGS: PDEV, RH, US, UK

SUBJ: RHODESIAN WHITES SEEK DISSOLUTION POWER OVER PENSION FUNDS

1. ACCORDING TO REPORT IN JUNE 23 ISSUE OF (BULAWAYO) CHRONICLE (JUST RECEIVED) REPRESENTATIVES OF THE NATIONAL ASSOCIATION OF LOCAL GOVERNMENT OFFICERS AND EMPLOYEES (NALGOE) INTEND TO TAKE THE RHODESIAN MINISTER OF FINANCE TO COURT IN ORDER TO OBTAIN THE RIGHT TO DISSOLVE AND DISTRIBUTE THE ASSETS OF THEIR LOCAL AUTHORITIES PENSION FUND (LAPF). NALGOE SECRETARY MRS. MERRYL BEATON SAID MEMBERS WANT THE RIGHT TO DISTRIBUTE ASSETS IN CASE BLACK  
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GOVERNMENT ATTEMPTS TO CONFISCATE OR RESTRICT PENSION FUNDS. BEATON CLAIMED RIGHT TO DISSOLVE FUND ALSO IMPORTANT IN CASE NEW BLACK GOVERNMENT REQUIRED MUNICIPAL WORKERS TO REMAIN IN RHODESIA TO COLLECT PENSIONS. "I WANT IT BROUGHT OUT POLITICALLY THAT NO ONE SHOULD BE FORCED TO LIVE IN THIS COUNTRY UNDER BLACK RULE IN ORDER TO ENJOY A PENSION, AND UNTIL I GET A GUARANTEE

THAT CAN BE UPHELD IN A WORLD COURT,  
WE SHALL CONTINUE TO PRESS FOR THE RIGHT TO DISSOLVE THIS  
FUND."

2. NALGOE, WITH APPROXIMATELY (US) \$48 MILLION OF ASSETS  
IN LAPF, CONTENDS THAT RHODESIAN REFUSAL TO GRANT NALGOE  
DISSOLUTION RIGHTS IS UNFAIR BECAUSE OTHER FUNDS SUCH AS  
THE RHODESIAN RAILWAYS PENSION FUND WITH THREE TIMES LAPF'S  
ASSETS AND THE MINING INDUSTRY PENSION FUND WITH (US) \$34  
MILLION IN ASSETS HAVE ALREADY ADDED TERMINATION CLAUSES  
GIVING THEM DISSOLUTION RIGHTS.

3. ACCORDING TO ARTICLE, THE 1976 PENSION AND PROVIDENT  
FUNDS ACT REQUIRES THAT ALL FUNDS INCLUDE PROVISION FOR  
TERMINATING OR "WINDING UP" IN THE RULES UNLESS EXEMPT FROM  
THE REGISTRAR OF PENSIONS. BOTH THE REGISTRAR OF PENSIONS  
AND THE MINISTER OF LOCAL GOVERNMENT AND HOUSING HAVE REFUSED  
TO PERMIT NALGOE TO ADD A TERMINATION CLAUSE ALLOWING MEMBERS  
OF THE FUND TO DISSOLVE IT. BECAUSE THE REGISTRAR OF PENSIONS  
IS UNDER THE MINISTRY OF FINANCE, NALGOE IS SEEKING TO OBTAIN  
A COURT ORDER PERMITTING THEM TO ADD THE CLAUSE. MINISTERIAL  
APPROVAL IS ALSO REQUIRED BEFORE ACTUAL TERMINATION OF A  
FUND.

4. COMMENT: THIS IS THE FIRST TIME WE HAVE HAD BROUGHT  
TO OUR ATTENTION THE FACT THAT SOME RHODESIAN WHITES ALREADY  
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HAVE THE POWER TO UNILATERALLY DISSOLVE PENSION ASSETS.

THE THREE FUNDS MENTIONED IN THIS ARTICLE ALONE ACCOUNT FOR  
OVER 1/4 BILLION US DOLLARS. IT SEEMS AS IF SMITH HAS  
PRESENTED AND CAPITALIZED ON PENSION ISSUE DISCUSSIONS WITH  
THE CONSULTATIVE GROUP AS IF THE AVAILABILITY OF PENSION  
ASSETS WERE FIXED. THIS APPARENTLY IS NOT THE CASE.  
CLINGERMAN

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NNN

## Message Attributes

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**Enclosure:** n/a  
**Executive Order:** GS  
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**Subject:** RHODESIAN WHITES SEEK DISSOLUTION POWER OVER PENSION FUNDS  
**TAGS:** PDEV, ELAB, RH, US, UK, NALGOE, NATL ASSOC LOCAL GOVT OFF & EMP, (BEATON, MERRYL)  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009